



PROFIT POLICY UPDATE

Mike Canales

DEFENSE PROCUREMENT AND ACQUISITION POLICY (Policy)

Michael.Canales@osd.mil

703.695.8571

Pentagon 3C838

June 2003



Regulatory Background

- **FAR 15.404-4 requires a structured approach to profit analysis**
- **DFARS 215.404-4 and DFARS 215.404-71 thru 215.404-76**
 - **Describes DoD structured approach**
 - **Levies requirement for reporting profit information**



“Recent” Profit Policy Changes

- **December 2000 - “Technology Incentive” Factor**
- **April 2002 - (DFARS CASE 2000-D018)**
 - **Cost Efficiency**
 - **Performance Risk**
 - **Buildings/Equipment**
 - **G&A included in the Cost Base**



Training/Tools

- **Continuous Learning Modules**
“Profit Policy Revisions”

<http://clc.dau.mil> (**go to** learning center, **click** course information and **access**, go to keyword, enter “profit”)

- **Contract Pricing Reference Guides**

<http://www.acq.osd.mil/DPAP/guidebooks/index2.htm>

<http://www.acq.osd.mil/dpap/contractpricing/about.htm>

- **Air Force WGL Tool**

<https://www.wgl.wpafb.af.mil/wgl/default.asp>